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Message Text

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47
ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CIAE-00 EB-11 FRB-02 INR-10

NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03 CIEP-02

LAB-06 SIL-01 OMB-01 DODE-00 PM-07 H-03 L-03 NSC-10

PA-04 PRS-01 SS-20 USIA-15 FS-01 IO-14 NEA-10 SAJ-01

CEA-02 DRC-01 /194 W
---------- 018374
R 041450Z JAN 74
FM AMEMBASSY VALLETTA
TO SECSTATE WASHDC 5123
INFO USDOC WASHDC
AMEMBASSY LONDON
AMEMBASSY ROME
USMISSION NATO
AMEMBASSY PARIS

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E.O. 11652: N/A
TAGS: EFIN, MT
SUBJ: NATIONAL BANK SUSPENSION

PARIS FOR RFC

REF: VALLETTA 2445

1. AN"INFORMAL" NATIONAL BANK SHAREHOLDERS MEETING AND A MALTA UNION OF BANKERS MEETING WERE HELD SEPARATELY JAN 3 TO DISCUSS SUBJECT.

2. THE MAIN ISSUE DISCUSSED AT THE SHAREHOLDERS MEETING WAS THE TRANSFER OF SHARES TO GOM WITHOUT COMPENSATION, WHICH THE CHAIRMAN ENCOURAGED, AND INSTRUMENTS OF TRANSFER WERE DISTRIBUTED. IN SUMMING UP,
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THE CHAIRMAN TOLD THE SHAREHOLDERS THAT THEY HAD TWO

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CHOICES: NOT SURRENDER THEIR SHARES AND SUFFER
CONSEQUENCES IF DEPOSITORS LOSE THEIR MONEY; OR
TRANSFER THEIR SHARES AND SAVE THE DEPOSITORS'
MONEY (MANY HAVE THEIR DEPOSITS IN NATIONAL) AND
AVOID THE OBVIOUS ADVERSE EFFECTS ON THE ECONOMY.

3. SPOKESMAN AT BANKERS UNION MEETING ALSO LARGELY
DEVOTED THEMSELVES TO ENCOURAGING SHAREHOLDERS TO
TRANSFER THEIR SHARES TO GOM. THEY CALLED FOR CON-
FIDENCE IN NATIONAL BANK AND FOR AN INVESTIGATION
INTO CAUSE OF RUN ON ITS RESOURCES.

4. NATIONAL IS CONTINUING TO MEET LEGITIMATE PAYROLL
NEEDS AND IS HONORING CHECKS IN PAYMENT FOR LEGITMATE SERVICES.

5. COMMENT: WE EXPECT THAT THE NEXT STEP WILL BE
A CALL BY GOM-APPOINTED COUNCIL TO ADMINISTRATION FOR
A FORMAL GENERAL MEETING OF SHAREHOLDERS AT WHICH TIME SHARE-
HOLDERS MUST DEFINITELY DECIDE WHETHER TO TRANSFER
THEIR SHARES TO GOM, WHICH IS DEMANDING THAT AT LEAST
TWO-THIRDS OF THEM DO SO. MEANWHILE, QUESTION OF
BARCLAY'S BANK PARTICIPATION REMAINS IN ABEYANCE, AND
BANK'S SPOKESMAN RECENTLY TOLD PRESS THAT IT IS AWAITING
GOM RESPONSE TO ITS COUNTER PROPOSAL. THE RECENT
VISIT OF AN OFFICIAL OF BANCO DI ROMA MAY INDICATE THAT
MINTOFF IS BROADENING HIS EFFORTS TO OBTAIN ASSISTANCE
IN ACQUIRING YET ANOTHER IMPORTANT ENTITY AT LITTLE OR
NO COST TO GOM, AS IN CASE OF AIR MALTA AND SEA MALTA.
TUCKER

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Disposition Authority: morefirh
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Disposition Remarks:
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Executive Order: N/A
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To: STATE
Type: TE
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